

EXHIBIT 1

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
IN SEATTLE

MICROSOFT CORPORATION,)
Plaintiff,) No. C10-1823JLR
v.)
MOTOROLA, INCORPORATED,)
Defendant.)

MARKMAN HEARING

BEFORE THE HONORABLE JAMES L. ROBART
UNITED STATES DISTRICT COURT JUDGE

March 9, 2012

APPEARANCES:

For the Plaintiff: Richard A. Cederoth
SIDLEY AUSTIN
Arthur Harrigan
DANIELSON HARRIGAN LEYH &
TOLLEFSON

For the Defendant: Jesse J. Jenner
Gabrielle Elizabeth Higgins
ROPES & GRAY
Ralph H. Palumbo
SUMMIT LAW GROUP

Also Present: Christopher Wion
Douglas Lewis
Philip McCune
Andy Culbert
David Pritikin
Herman Webley
Matthew Clements
Ian Brooks

1 convey, which is, I think the fairer way is to tee this up
2 immediately at the conclusion of this. I don't care if we
3 call it a motion for summary judgment on invalidity or we
4 talk about motions opposing the court's foolish rulings.
5 But we are going to get that decided. And you will get an
6 additional opportunity to --

7 MR. JENNER: We appreciate that. All we ask is to
8 put in the full record appropriate for a summary judgment.

9 THE COURT: I will tell you, I think you've got an
10 uphill battle, because if "computer" isn't a sufficient
11 term, "decoder" -- other than if it is a ring you got in
12 the mail or a cereal box, I think you have a real chore
13 there.

14 MR. JENNER: If we have to swim upstream or
15 uphill, we will do what we have to do.

16 MR. CEDEROTH: Thank you, your Honor. One caveat
17 to what Mr. Jenner said. The parties haven't exactly
18 agreed that the structure is a decoder. Our position is
19 that a decoder has to also have an algorithm. That is
20 exactly the dispute that the court recognized.

21 One other potential housekeeping matter for the end of
22 the hearing, your Honor, when we take this up: If the
23 court would indulge the parties to discuss some of the
24 additional going-forward activities in the case that
25 relate also to the RAND issues, as we should have some

1 higher, frequency coefficients will quantize to zero.
2 Quantization is to exploit the fact that the human eye is
3 less sensitive to higher frequency components than to
4 lower frequency components.

5 The fourth box is labeled "frequency coefficient
6 scan." This box scans the frequency coefficients from
7 locations in the two-dimensional array, and reorders them
8 into positions in a one-dimensional array.

9 The fifth box is labeled "entropy coding." The basic
10 idea of entropy coding is to represent the sequence of
11 symbols, a shorter sequence of bits, by exploiting
12 statistics of the information stream.

13 Entropy decoding accepts a one-dimensional stream, a
14 sequence of signals, and that's why we needed the scanning
15 to convert the frequency coefficients into a linear
16 sequence.

17 Now I will discuss decoding. As I mentioned, decoding
18 is the reverse of encoding. And if we pause here with the
19 block diagram of the decoder, what we are doing is we are
20 replacing the layers on the onion. Not that we ever do
21 that with an onion, but we do that with video coding.
22 And, of course, we have to replace them in the same order
23 we remove them, but in reverse. So all of these blocks
24 are the inverse operations of the blocks that we discussed
25 in encoding. And those inverses are well understood and